

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE)
COMMISSION,)

Plaintiff,)

v.)

ROGER KNOX, WINTERCAP SA,)
MICHAEL T. GASTAUER, WB21 US)
INC., SILVERTON SA INC., WB21 NA)
INC., C CAPITAL CORP., WINTERCAP)
SA INC. AND B2 CAP INC.)

Defendants.)

RAIMUND GASTAUER, SIMONE)
GASTAUER FOEHR, B21 LTD.,)
SHAMAL INTERNATIONAL FZE, AND)
WB21 DMCC,)

Relief Defendants.)

Case No. 1:18-cv-12058-RGS
Judge Richard G. Stearns

**AFFIDAVIT OF VIRGILIO SANTANA RIPOLL IN SUPPORT OF CITY GROUP
ALLIANCE INC.'S MOTION FOR RELIEF FROM PRELIMINARY INJUNCTIONS
AND ASSET FREEZE ORDERS**

I, Virgilio Santana Ripoll, on oath depose and state the following:

1. I am the sole director and shareholder of City Group Alliance Inc. ("City Group") and submit this affidavit in support of City Group's Motion for Relief from Preliminary Injunctions and Asset Freeze Orders in the above-captioned action.

2. I am a citizen of the Dominican Republic and Principal Lawyer of Santana Ripoll & Associates, a law firm located in Puerto Plata, Dominican Republic. All statements made in this affidavit are based upon my personal knowledge.

3. City Group is a Marshall Islands corporation. A true and accurate copy of City Group's Certificate of Incorporation is attached hereto as **Exhibit A**.

4. City Group is the ultimate shareholder of Norland Estates Inc. and Highpoint Drive Estates Inc. A true and accurate copy of the Central Securities Register showing ownership of Norland Estates Inc. by Lakehouse Capital Inc. is attached hereto as **Exhibit B**. A true and accurate copy of the Central Securities Register showing ownership of Highpoint Drive Estates Inc. by Lakehouse Capital Inc. is attached hereto as **Exhibit C**. A true and accurate copy of the Central Securities Register showing ownership of Lakehouse Capital Inc. by City Group Alliance Inc. (a British Columbia, Canada corporation) (“City Group BC”) is attached hereto as **Exhibit D**. A true and accurate copy of the Central Securities Register showing ownership of City Group BC by City Group is attached hereto as **Exhibit E**.

5. Norland Estates Inc. and Highpoint Drive Estates Inc. were each a special purpose vehicle formed to develop a single real estate project.

6. Norland Estates Inc. was formed for the purchase, development, and resale of the real property located at 4126 Norland Avenue, Burnaby, British Columbia, Canada (the “Burnaby Property”).

7. Highpoint Drive Estates Inc. was formed for the purchase, development, and resale of the real property located at 2970 High Point Drive, Whistler, British Columbia, Canada (the “Whistler Property”).

8. The purchases of the Burnaby Property and the Whistler Property were financed by shareholder loans to Norland Estates Inc. and Highpoint Drive Estates Inc., respectively.

9. On or about July 23, 2014, Norland Estates Inc. purchased the Burnaby Property. A true and accurate copy of the electronic land title transfer document evidencing this purchase by Norland Estates Inc. is attached hereto as **Exhibit F**.

10. On or about February 21, 2018, Norland Estates Inc. sold the Burnaby Property. A true and accurate copy of the Trust Reconciliation Statement evidencing the sale proceeds received by Norland Estates Inc. is attached hereto as **Exhibit G**.

11. On or about March 14, 2018, Norland Estates Inc. transferred CAD 3,000,349.00 to City Group from the proceeds of the sale of the Burnaby Property in repayment of the shareholder loan made to finance the purchase and development of the Burnaby Property.

12. On or about September 10, 2015, Highpoint Drive Estates Inc. purchased the Whistler Property. A true and accurate copy of the electronic land title transfer document evidencing this purchase by Norland Estates Inc. is attached hereto as **Exhibit H**.

13. On or about April 20, 2018, Highpoint Drive Estates Inc. sold the Whistler Property. A true and accurate copy of the Trust Reconciliation Statement evidencing the sale proceeds received by Highpoint Drive Estates Inc. is attached hereto as **Exhibit I**.

14. On or about May 3, 2018, Highpoint Drive Estates Inc. transferred CAD 2,221,676.00 to City Group from the proceeds of the sale of the Whistler Property in repayment of the shareholder loan made to finance the purchase and development of the Whistler Property. A true and accurate copy of the Account Statement for City Group's bank account, WB21 Pte. Ltd. Account Number [REDACTED] 2172 for the statement period March 14, 2018 – June 7, 2018 is attached hereto as **Exhibit J**.

15. On or about February 21, 2018, City Group engaged Wintercap SA as its asset manager. A true and accurate copy of the Form A delivered to Wintercap SA in connection with opening an account for City Group is attached hereto as **Exhibit K**.

16. As City Group's asset manager, Wintercap SA had administrator rights to City Group's account with WB21 Pte. Ltd, including the ability to transfer funds from said account.

17. On or about July 30, 2018, Wintercap SA transferred CAD 5,110,896.77, which sum represented all the funds in City Group's WB21 Pte. Ltd. account, to Wintercap SA's own account with WB21 Pte. Ltd., Account Number [REDACTED] 4730. A true and accurate copy of the Account Statement for City Group's bank account, WB21 Pte. Ltd. Account Number [REDACTED] 2172 for the statement period June 7, 2018 – July 30, 2018 is attached hereto as **Exhibit L**.

18. These funds remained the property of City Group and were transferred to Wintercap SA solely for administrative convenience in Wintercap SA's capacity as City Group's asset manager. Wintercap SA advised City Group that WB21 Pte. Ltd. had stopped responding to banking instructions, and Wintercap SA wished to consolidate the funds with other accounts in order to make a single demand for their return acting as the agent of its clients.

19. When Wintercap SA's accounts were ordered frozen by the Court in the present action, Wintercap SA's account with WB21 Pte. Ltd., Account Number [REDACTED] 4730, contained CAD 5,110,896.77 which was the property of City Group.

20. The CAD 5,110,896.77 is clearly identifiable as the repayment of shareholder loans to City Group from the proceeds of legitimate real estate development transactions and is not connected in any way to the allegations concerning securities violations made against Wintercap SA, Roger Knox, or any other defendant in this action.

21. There is no basis for the continued application of the Court's Asset Freeze Orders to these funds, and they should be released from the Asset Freeze Orders and returned to City Group immediately.

22. City Group has been, and continues to be, harmed by the improper application of the Asset Freeze Orders to the above-referenced funds due to City Group's loss of its rightful use of these funds.

Signed under the penalties of perjury this 23rd day of April, 2019.



Virgilio Santana Ripoll

EXHIBIT

A

REPUBLIC OF THE MARSHALL ISLANDS
OFFICE OF THE REGISTRAR OF CORPORATIONS

CERTIFICATE OF INCORPORATION

I HEREBY CERTIFY that

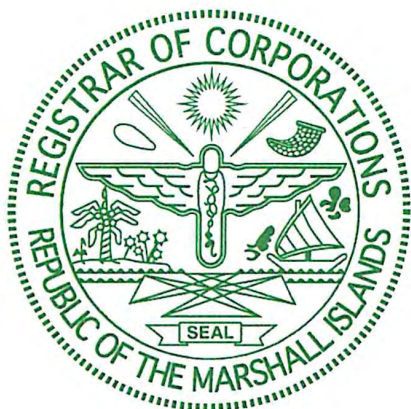
City Group Alliance Inc

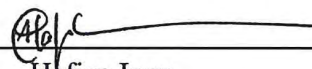
Reg. No. 95300

is duly incorporated and has filed articles of incorporation under the provisions of the Marshall Islands Business Corporations Act on

February 21, 2018

WITNESS my hand and the official seal of the
Registry on **February 21, 2018**.




Hafize Inan
Deputy Registrar of Corporations

APOSTILLE

*(Hague Convention of 5 October 1961/
Convention de la Haye du 5 Octobre 1961)*

1. Country: The Republic of the Marshall Islands

This Public Document

2. has been signed by: **H. Inan**
3. acting in the capacity of: Deputy Registrar, Republic
of the Marshall Islands
4. bears the seal/stamp of: Registrar of Corporations,
Republic of the Marshall Islands

Certified

5. at: Zurich, Switzerland — 6. on: **February 21, 2018**
7. by: Special Agent of the Republic of the Marshall
Islands

8. Number: **Z-91695-02/18**

9. Seal /stamp:

10. Signature:



A handwritten signature in black ink, appearing to be "H. Inan", written over a horizontal line.

EXHIBIT

B

CENTRAL SECURITIES REGISTER

NORLAND ESTATES INC.

Common Shares

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									<i>[Cancel details]</i>
23/6/2014	25/11/2014	Yvonne Gasarch	1,000	Allotment		1	Cash	\$10	Return to treasury
25/11/2014		Lakehouse Capital Inc., 320-1100 Melville Street, Vancouver, BC V6E4A6	1,000	Allotment		2	Cash	\$10	
Total issued:		1,000							

EXHIBIT

C

CENTRAL SECURITIES REGISTER

HIGHPOINT DRIVE ESTATES INC.

Common Shares

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
24/7/15		Lakehouse Capital Inc., 320-1100 Melville Street, Vancouver, BC V6E 4A6	1,000	Allotment		1	Cash	\$10	
Total issued:		1,000							

EXHIBIT

D

CENTRAL SECURITIES REGISTER

LAKEHOUSE CAPITAL INC.

Common

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									<i>[Cancel details]</i>
25/11/14		City Group Alliance Inc.	1,000	Allot		1	.01	.01	
Total issued:									

EXHIBIT

E

CENTRAL SECURITIES REGISTER

CITY GROUP ALLIANCE INC.

Common Shares

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
07/12/12	21/02/18	City Group LLC Delaware	1,000	Allotment		1	Cash	\$10	
21/02/18		City Group Alliance Inc. Marshall Islands	1,000	Transfer	City Group LLC	2			
Total issued:		1,000							

EXHIBIT

F

LAND TITLE ACT**FORM A (Section 185(1))****FREEHOLD TRANSFER Province of British Columbia**

1405726054

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Bell Alliance

Barristers and Solicitors

201 1367 West Broadway

Vancouver

BC V6H 4A7

Telephone: (604) 873-8723

LTO Client Number: 12235-RC

File Number: 140982-001

Deduct LTSA Fees? Yes ☒

2a. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

014-852-373**PARCEL A DISTRICT LOT 79 GROUP 1 NEW WESTMINSTER DISTRICT
REFERENCE PLAN 82761**STC? YES ☐

2b. MARKET VALUE: \$ 7925000.00

3. CONSIDERATION: \$ 7925000.00

4. TRANSFEROR(S):

FIVE POINT ESTATES ULC (INC. NO. BC0908112)5. FREEHOLD ESTATE TRANSFERRED: **Fee Simple**

6. TRANSFEREE(S): (including occupation(s), postal address(es) and postal code(s))

NORLAND ESTATES INC.

320 1100 Melville Street

Vancouver

BC

Incorporation No

BC1006064

V7C 1V8

7. EXECUTION(S): The transferor(s) accept(s) the above consideration and understand(s) that the instrument operates to transfer the freehold estate in the land described above to the transferee(s)

Officer Signature(s)

Execution Date

Transferor(s) Signature(s)

Donald A. Drysdale

Barrister & Solicitor

#211 - 1015 Austin Avenue

Coquitlam, B.C. V3K 3N9

Telephone: 604-939-8321

Y	M	D
14	7	23

Five Point Estates ULC
by its authorized signatory:

Print Name: Richard Latham

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

EXHIBIT

G

BIANCARDI LAW CORPORATION**Trust Reconciliation Statement
File No. Norland Estates 436-001**

Seller:	Norland Estates Inc.
Buyer:	Solidarity Holdings Ltd.
Civic:	4126 Norland Avenue, Burnaby, BC, V5G 3S8
Legal:	Parcel Identifier: 014-852-373, Parcel a District Lot 79 Group 1 New Westminster District Reference Plan 82761
Completion Date:	February 21, 2018

Funds Transferred into Trust	Credit
Spagnuolo & Company Real Estate Lawyers "in trust" Sale Proceeds	\$10,327,265.34

\$10,327,265.34

Funds Disbursed from Trust	Debit
Westminster Savings Credit Union Payout of Mortgage as at February 22, 2018	\$4,408,225.85
Outstanding Utilities Cost	\$2,150.00
Legal account	\$1,840.04
Norland Estates Inc. Balance of Sale Proceeds	\$5,915,049.45

\$10,327,265.34**Trust Reconciliation Balance:****\$0.00**

EXHIBIT

H

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Khushhal Singh
Bains VJ6QYL

Digitally signed by Khushhal Singh
Bains VJ6QYL
DN: c=CA, cn=Khushhal Singh Bains
VJ6QYL, o=Lawyer, ou=Verify ID at
www.juricert.com/LKUP.cfm?
id=VJ6QYL
Date: 2015.09.10 12:40:09 -07'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Bell Alliance
Barristers and Solicitors
201 1367 West Broadway
Vancouver BC V6H 4A7
Document Fees: \$78.10

Telephone: (604) 873-8723
LTO Client Number: 12235
File Number: 152031-001

Deduct LTSA Fees? Yes ☒

2a. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]
028-878-027

[LEGAL DESCRIPTION]
STRATA LOT 60 DISTRICT LOT 7798 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN LMS4695

STC? YES ☐

2b. MARKET VALUE: \$ 1,350,000.00

3. CONSIDERATION: \$ 1,350,000.00

4. TRANSFEROR(S):

ECOASIS PROPERTIES LIMITED (INC. NO. A0076280)

5. FREEHOLD ESTATE TRANSFERRED: Fee Simple

6. TRANSFEREE(S): (including occupation(s), postal address(es) and postal code(s))

HIGHPOINT DRIVE ESTATES INC.

320 1100 Melville Street
Vancouver BC
V6E 4A6

7. EXECUTION(S): The transferor(s) accept(s) the above consideration and understand(s) that the instrument operates to transfer the freehold estate in the land described above to the transferee(s)

Officer Signature(s)

Patrick J. Julian
Barrister & Solicitor
19th Floor
885 West Georgia Street
Vancouver, B.C. V6C 3H4

Execution Date

Y	M	D
15	09	10

Transferor(s) Signature(s)

Ecoasis Properties Limited
by its authorized signatory:
Print Name Dan Matthews

OFFICER CERTIFICATION:
Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

EXHIBIT

I

TRUST RECONCILIATION**File No. 11077-1-0****Re: Sale of 2970 High Point Drive, Whistler, British Columbia (the "Property") by Highpoint Drive Estates Inc. (the "Vendor")**

Sale proceeds from Race & Company LLP	<u>\$9,596,142.82</u>
Total Received:	\$9,596,142.82
<p>Paid to Earlston Investments Corp. – payout and discharge of Mortgage CA5713782, modified by CA6292237, and Assignment of Rents CA5713783, modified by CA6292238, and partial discharge of PPSA Base Registration No. 714834J, as they relate to the Property</p> <p>Payout amount as at April 26, 2018 \$3,364,907.82 \$3,364,907.82</p> <p>Note: Payout funds must be received by 1:00 pm.</p>	
Paid to Lindsay Kenney LLP – legal fees, disbursements and taxes	\$1,500.00
<p>Paid to Quarry Bay Equity Inc. – payout and discharge of Mortgage CA5889992, as it relates to the Property</p> <p>Payout amount as at April 26, 2018 \$2,251,243.00 \$2,251,243.00</p>	
Paid to Mulberry Property Group Ltd.	\$1,009,509.52
Paid to Highpoint Drive Estates Inc. – net sale proceeds	\$2,962,888.98
Heldback – Rowland & Company – Estimated Legal Fees of \$3,800.00, plus GST and PST, Estimated Disbursements of \$1,750.00, plus GST	<u>\$6,093.50</u>
Total Disbursed:	\$9,596,142.82

EXHIBIT

J



ACCOUNT STATEMENT

STATEMENT PERIOD **14-Mar-2018 - 07-Jun-2018**
 ACCOUNT NUMBER **██████████2172**
 CURRENCY **CAD**
 CUSTOMER NAME **City Group Alliance Inc**
 ADDRESS **Trust Company Complex,
 Ajeltake Road, Ajeltake
 Island, Majuro 96960
 Majuro
 95300**

TRANSACTION ID	TRANSACTION TYPE	DETAILS	CREDIT / DEBIT	BALANCE	DATE
347320180706202509661	ATAP (send)	Acc No: ██████████4730 Note: WB2525 Beneficiary: Wintercap SA	- 100,200.00 CAD	5,110,896.77 CAD	2018-06-07
462020180305140607371	ATAP (send)	Acc No: ██████████4730 Note: WB2391 Beneficiary: Wintercap SA	- 10,928.23 CAD	5,211,096.77 CAD	2018-05-03
350620180305090632949	Payment (received)	Name: HIGHPOINT DRIVE ESTATES INC. Note: 216 5292128 Beneficiary: City Group Alliance Inc	+2,221,676.00 CAD	5,222,025.00 CAD	2018-05-03
694820181403162729563	Payment (received)	Name: NORLAND ESTATES INC Note: LOAN REPAYMENT Beneficiary: City Group Alliance Inc	+3,000,349.00 CAD	3,000,349.00 CAD	2018-03-14

TOTAL CREDIT **+5,222,025.00 CAD**
 TOTAL DEBIT **-111,128.23 CAD**
 BALANCE **5,110,896.77 CAD**

WB21 Pte. Ltd.
 80 Raffles Place
 Singapore 048624

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 www.wb21.com



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EXHIBIT

K

A Account / deposit no.

Contracting party

City Group Alliance Inc

(Name / first name – individual or company)

21 Feb 2018

(Date of birth / incorporation)

Marshall Islands

(Nationality / registered office)

Trust Company Complex, Ajeltake Road

Ajeltake Island, Majuro MH96960

Marshall Islands

(Address)

Establishment of the beneficial owner's identity

(Form A according to § 18 and § 19 Regulations SRO PolyReg)

The undersigned herewith declares:
(Tick the appropriate box)

- ☐ That the contracting party is the beneficial owner of the assets involved
- ☒ That the following person / company is the beneficial owner of the assets involved

Individual

Virgilio Santana Ripoll

(Name / first name)

21 Aug 1975

(Date of birth)

(Address)

Urb Torre II, Puerto Plata,

Dominican Republic

(Additional information)

Dominican Republic

(Nationality)

Company

(Company name)

(Date of incorporation)

(Country of registered office)

(Address)

(Extract from company register)

The contracting partner shall immediately inform the financial intermediary of his own accord about any changes.

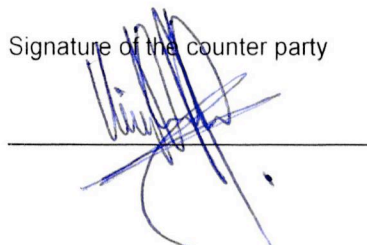
The contracting party takes notice that the identity of the beneficial owner will be made known to the financial institution concerned, should the administration of the above mentioned file require the opening of a bank account or bank deposit.

If the undersigned intentionally provides wrong or incorrect information, or falsifies this document, this might be subject to the Swiss Penal Code. (Art. 251 Swiss Penal Code).

Place/Date

22 Feb 2018 Puerto Plata

Signature of the counter party



EXHIBIT

L



ACCOUNT STATEMENT

STATEMENT PERIOD **07-Jun-2018 - 30-Jul-2018**
 ACCOUNT NUMBER **██████████2172**
 CURRENCY **CAD**
 CUSTOMER NAME **City Group Alliance Inc**
 ADDRESS **Trust Company
 Complex, Ajeltake Road,
 Ajeltake Island, Majuro
 96960
 Majuro
 95300**

TRANSACTION ID	TRANSACTION TYPE	DETAILS	CREDIT / DEBIT	BALANCE	DATE
357920183007103058384	ATAP (send)	Acc No: ██████████4730 Note: WB2721 Beneficiary: Wintercap SA	- 27.00 CAD	0.00 CAD	2018-07-30
460520183007102540419	ATAP (send)	Acc No: ██████████4730 Note: WB2720 Beneficiary: Wintercap SA	- 5,110,869.77 CAD	27.00 CAD	2018-07-30
347320180706202509661	ATAP (send)	Acc No: ██████████4730 Note: WB2525 Beneficiary: Wintercap SA	- 100,200.00 CAD	5,110,896.77 CAD	2018-06-07
				Total Credit	+ 0.00 CAD
				Total Debit	- 5,211,096.77 CAD
				Current Balance	0.00 CAD

WB21 Pte. Ltd.
 80 Raffles Place
 Singapore 048624

WB21 Customer Service
 support@wb21.com
 www.wb21.com



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